

Department: State Treasurer

Description: Payment Card Industry Compliance

1. Background:

The State Treasurer's Office requests \$196,000 in onetime operating expenditures from the General Fund to contract with a vendor for Payment Card Industry (PCI) compliance for the state's credit card services.

For state agencies to be able to accept credit cards, they must comply with Payment Card Industry (PCI) security standards set by the card brands. Although the State Treasurer's Office (STO) does not accept credit cards, it holds a contract for credit card services that is used by 11 state agencies: the Board of Medicine, Department of Health & Welfare, Commission for the Blind and Visually Impaired, Department of Fish & Game, Board of Dentistry, Historical Society, Liquor Division, Legislative Services Office (Capitol gift shop), and Public Health Districts 1, 2, and 3. To maintain PCI compliance under its current contract, the state is required to undergo security scans and assessments each year. Initially, the STO had arranged with agencies using credit card services to contract with a vendor for PCI compliance for one year, after which the Office of Information Technology Services (ITS) would train and certify an Internal Security Assessor, which was anticipated to reduce the overall cost for PCI compliance. However, in November 2020 ITS informed the STO the plan would not be possible, so the STO will need to extend its current contract with its vendor for one additional year, beginning in March or April 2021. Since this contract renewal was not anticipated, funding was not requested during the 2020 Legislative session, so the STO now requests a supplemental and the Governor included this amount in his budget recommendation. The STO believes this request will be one-time because in future years the agencies using the contract will either be billed directly for compliance costs, or credit card services may be secured from a different provider that does not require security assessments as frequently. For the current year, the funding is needed to avoid paying potential penalties for non-compliance.

2. Agency Request: The agency requested the following additional appropriation for FY 2021:

Fund	Type	OT	FTP	PC	OE	CO	TB	LS	Total
0001-00	Gen	✓	0.00	0	196,000	0	0	0	196,000
TOTAL			0.00	0	196,000	0	0	0	196,000